

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Paula Kent Meehan is the Chairman and President of Kenquest, Inc., located in Beverly Hills.

In 2002, during the first semi-annual campaign reporting period of January 1, 2002 through June 30, 2002, Respondent made \$44,434 in contributions, and thereby qualified as a “major donor committee” under the Political Reform Act (the “Act”).<sup>1</sup> As such, Respondent was required to comply with specified campaign reporting provisions of the Act.

As a major donor committee, Respondent was required by the Act to file late contribution reports disclosing her late contributions within 24 hours of making them. In this case, Respondent made three late contributions prior to the March 2002 primary election, which she failed to disclose in properly filed late contribution reports, thereby committing three violations of the Act.

For the purposes of this Stipulation, Respondent’s violations are stated as follows:

- COUNT 1: Respondent Paula Kent Meehan failed to disclose a \$3,000 late contribution to the Toman for Treasurer Committee in a properly filed late contribution report, by the March 2, 2002 due date, in violation of Section 84203, subdivision (a).
- COUNT 2: Respondent Paula Kent Meehan failed to disclose a \$18,684.32 late contribution to the Riordan for Governor Committee in a properly filed late contribution report, by the March 5, 2002 due date, in violation of Section 84203, subdivision (a).
- COUNT 3: Respondent Paula Kent Meehan failed to disclose a \$2,000 late contribution to the Chuck Fuentes for Assembly Committee in a properly filed late contribution report, by the March 5, 2002 due date, in violation of Section 84203, subdivision (a).

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at California Code of Regulations, Title 2, sections 18109-18996. All regulatory references are to Title 2 of the California Code of Regulations.

## **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who directly or indirectly makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to, or at the behest of, candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

Under Section 84203, subdivision (a), when a committee makes or receives a late contribution, the committee must disclose the contribution in a late contribution report that must be filed within 24 hours of making or receiving the contribution. Section 82036 defines a “late contribution” as a contribution aggregating \$1,000 or more that is received before an election, but after the closing date of the last pre-election statement. Under Section 84200.8, subdivision (b), for an election not held in June or November of an even-numbered year, the late contribution period covers the last 16 days before the election.

Section 84215, subdivision (a) requires all major donor committees supporting statewide elected officers to file the committee’s campaign statements with the office of the Secretary of State, the Registrar-Recorder of Los Angeles County and with the Registrar of Voters of the City and County of San Francisco. Subdivision (b) of Section 84215 requires all major donor committees supporting candidates for the Legislature to file the committee’s campaign statements with the office of the Secretary of State and with the clerk of the county with the largest number of registered voters in the districts affected.

## **SUMMARY OF THE FACTS**

During the first semi-annual reporting period of 2002, Respondent Paula Kent Meehan made \$44,434 in political contributions, and thereby qualified under Section 82013, subdivision (c) of the Act as a major donor committee.

As a major donor committee, Respondent Paula Kent Meehan had a duty to file late contribution reports, disclosing, within 24 hours, the late contributions that she made. The late contribution reporting period for the March 5, 2002 primary election was February 17, 2002 through March 4, 2002.

On and between March 1, 2002 and March 4, 2002, Respondent Paula Kent Meehan made three contributions to support state candidates running for office in the March 5, 2002 primary election.

As these contributions were made during the late contribution reporting period prior to the March 5, 2002 primary election, Respondent was required to disclose these contributions in late contribution reports filed within 24 hours of the contributions being made. Respondent failed to do so. The late contributions that Respondent made, and the dates by which they were required to be disclosed, is set forth in the chart below, according to the stipulated count to which each of the contributions corresponds.

<b>Count</b>	<b>Contribution Date</b>	<b>Recipient</b>	<b>Amount</b>	<b>Date Report Due</b>
1	March 1, 2002	Toman for Treasurer	\$3,000	March 2, 2002
2	March 4, 2002	Riordan for Governor	\$18,684.32	March 5, 2002
3	March 4, 2002	Chuck Fuentes for Assembly	\$2,000	March 5, 2002

By failing to file late contribution reports disclosing three late contributions, as set forth above, Respondent committed three violations of Section 84203, subdivision (a).

### **CONCLUSION**

This matter consists of three counts, which carry a maximum possible administrative penalty of Fifteen Thousand Dollars (\$15,000).

In this matter, Respondent Paula Kent Meehan failed to file three late contribution reports disclosing late contributions made prior to the March 2002 primary election. Respondent Paula Kent Meehan attributes her violations to being unaware of the filing obligations and deadlines associated with her campaign activity. Furthermore, Respondent disclosed the late contributions at issue in this matter in a timely filed semi-annual major donor statement. Finally, Respondent Paula Kent Meehan does not have a history of any prior enforcement action being taken against her.

Under the Enforcement Division's Streamlined Late Contribution Enforcement Program, the approved administrative penalty for failing to timely disclose late contributions is 15 percent of the amount of the undisclosed contributions. Although this case has been removed from the Program at Respondent's request, the late contribution reporting violations in this case do not appear to be especially aggravated, and therefore, imposition of a penalty approximating the standard penalty is appropriate.

The facts of this case therefore justify imposition of the agreed upon penalty of Three Thousand Six Hundred Dollars (\$3,600).